



September 30, 2003

Westwacker P-24, LLC

In care of:

Ms. Pat Sharkey, Attorney at Law  
Mayer Browne Rowe & Maw  
190 South LaSalle Street  
Chicago, Illinois 60603

Re: Letter Report Update of Phase I Environmental Site Assessment of Parcel 24, Chicago, IL  
URS Project No. 52603-003-007

Dear Ms. Sharkey:

URS Corporation (URS) is pleased to submit this Letter Report Update to the Phase I Environmental Site Assessment (Phase I ESA) conducted by STS Consultants, Ltd. (STS) for the above-referenced property in April 2002.

## 1.0 INTRODUCTION

URS was retained by Westwacker P-24, LLC in care of Mayer Brown Rowe & Maw (MBRM) to conduct a Phase I ESA Letter Report Update of Parcel 24 (subject property) for Westwacker P-24, LLC. Parcel 24 is located at 500 East Illinois Street, east of the former Kraft Building property. The subject property is currently utilized as a public parking lot.

The purpose of this Phase I ESA Letter Report Update is to identify Recognized Environmental Conditions (RECs) that may exist at the site at present. The term REC is defined by ASTM E1527-00 as:

*"The presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include de minimis conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis are not considered Recognized Environmental Conditions."*

A Historical REC is defined separately in ASTM E1527-00 as:

*"[An] environmental condition which in the past would have been considered a Recognized Environmental Condition, but which may or may not be considered a Recognized Environmental Condition currently. The final decision will be influenced by the current impact of the Historical Recognized Environmental Condition on the property."*

This Phase I ESA Letter Report Update was conducted in accordance with URS' proposal and work order dated July 10, 2003, and in general conformance with ASTM E1527-00 environmental assessment protocols.

The scope of work included:

- An inspection of the subject property and surrounding area;
- Interviews with available site representatives;
- Identification of evidence of on-site underground storage tanks (USTs) and aboveground storage tanks (ASTs);
- Identification of suspect polychlorinated biphenyls (PCBs) or other hazardous materials;
- A search of environmental regulatory agency databases; and,
- Contact with appropriate state and/or local regulatory agencies.

As this report updates a recent Phase I ESA, this scope of work did not include reviewing historical documentation (i.e. historic topographic maps, historic city directories, etc.); state or local agency documentation on file for the property dated prior to April 2002; or, obtaining a 50-year chain of title report of the site. In addition, the scope of work did not include the collection and analysis of water, soil, or suspect asbestos-containing material samples, and did not include subsurface testing for USTs or buried objects. Assessments that identify areas that indicate a need for further investigation are included in this Phase I ESA Letter Report Update.

This Phase I ESA Letter Report Update was prepared exclusively for the use by Westwacker P-24, LLC and MBRM ("Client"), with the care and skill generally exercised by reputable professionals under similar circumstances, in this or similar localities.

## 2.0 BACKGROUND

STS conducted a Phase I ESA of a larger site that included the subject property in 2002. Their Phase I ESA, dated April 4, 2002, consisted of an inspection of the subject property and surrounding area, a review of readily available regulatory information concerning the subject property and other nearby properties of environmental concern, a review of historical Sanborn Fire Insurance Maps, and a review of aerial photographs. A copy of this report is provided in Appendix A.

Limitations during STS' site inspection existed due to the presence of parked vehicles on the subject property. STS described the subject property as an asphalt paved parking lot approximately 40,000-square feet in area. At the time of the STS report, MCL Management Corporation owned the subject property and leased it to System Parking, Inc.

STS reported that historical review was limited due to lack of historical data prior to 1891. STS' review of historical data indicates that the subject property was partially occupied by an open lumberyard and American Box Company in 1891. By 1906 the subject property contained numerous lumber sheds and a small office. Railroad spurs had replaced the structures on the subject property by 1927. According to STS' historical review, the subject property has been improved with a parking lot since at least 1949.

STS identified two RECs to the subject property in their 2002 Phase I ESA. These RECs are as follows:

- The presence of radioactive thorium-impacted soil in localized areas on the parcel of land west of the subject property resulting from the historical generation of this waste material by Lindsay Light Company, which was formerly located to the west of the subject property in the 1910s through the 1930s. Specifically, Lindsay Light II is a Comprehensive Environmental Response Compensation and Liability Act (CERCLA) No Further Remedial Action Planned (NFRAP) site formerly located to the west of the subject property. It should be noted that Lindsay Light II was not listed as a CERCLA-NFRAP site in the database reviewed by URS (see Section 4.1).
- The presence of a leaking underground storage tank (LUST) unresolved incident site on the western adjacent parcel to subject property (Kraft Building/City of Chicago, 510 North Peshtigo Court).

STS also conducted a radiation survey of the subject property in November 2000. A summary of the survey is provided in Section 4.6 of STS' Phase I ESA. The gamma readings were low and consistent. According to STS, no indication of impacts was evident on the subject property. A copy of the November 20, 2000 report is on file with URS.

A letter dated December 21, 2000 regarding a walkover radiation survey conducted by the United States Environmental Protection Agency (USEPA) on September 26, 2000 stated that elevated gamma readings were discovered along the centerline of Peshtigo Court (western adjacent street to subject property). The letter stated that conclusions regarding the impacts could not be made without further investigation. The USEPA also noted that their approval was required for any intrusive work on Peshtigo Court and proper radiological surveillance and health and safety precautions would be required as well. On January 23, 2001, the property owner at the time, River East LLC, provided the USEPA with a copy of the STS November 20, 2000 radiation survey. A second USEPA letter dated

March 23, 2001 to Mr. Vincent Oleszkiewicz of Baker & McKenzie from the USEPA reiterated the results of the radiation survey and suggested steps to comply with the USEPA regulations should the subsurface of Peshtigo Court be exposed. The USEPA also requested a work plan for regular inspection and maintenance of the parking lot surface. This letter also includes a copy of the USEPA survey results. Copies of these letters are provided in Appendix A.

### 3.0 SITE OBSERVATIONS

URS visited the subject property on July 23, 2003. Ms. Stacy McCance and Ms. Kate Blasberg of URS conducted the site inspection and interviewed Mr. Carmine Matozzi of MCL Properties, subject property management company. Weather conditions were clear and approximately 75 degrees Fahrenheit during the property visit. Limitations consisted of approximately 45 vehicles present on the subject property. The site location is indicated in Figure 1. Figure 2 illustrates a site map of the subject property. Photographs taken of the subject and adjacent properties and an aerial photograph of the site, dated 1999, are provided in Appendix B. URS' observations are as follows:

- The subject property is an approximately 40,000-square foot parcel of land located at 500 East Illinois Street. The subject property is currently utilized as an asphalt-paved public parking lot.
- The subject property has a slight topographical gradient to the northeast. One attendant booth structure is present at the west entrance. Metal rails, approximately two feet in height, are present along the perimeter of the parking lot area. Pedestrian sidewalks are present along the north, south, and west exteriors of the parking area.
- Open cracks in the pavement were present throughout the subject parking lot. Broken and crumbling pavement and early stage pothole development was observed throughout the subject property. An intentional cut in the surface, most likely for utilities, was present on the subject property. Exposed soil and missing pavement was observed along the west sidewalk area of the subject property.
- A portable restroom was observed in the northwest corner of the subject property which is serviced by a private company. Vending machines containing food and beverages were also observed on the southwest corner. No potable water or sanitary sewer service is provided onsite. Electrical service is provided by Commonwealth Edison.
- URS observed a storm sewer drain along the northern sidewalk area of the subject property. No sheen was observed on the water located in the drain. No evidence of wastewater generation on the subject property was observed.



- The subject property is bound to the north by Grand Avenue, beyond which is a high-rise condominium building (530 North Lake Shore Drive). The subject property is bound to the east by the elevated overpass of Lake Shore Drive and associated ramps beneath. The subject property is bound to the south by Illinois Street beyond which is the Riverview Center. The Riverview Center building extends from 401 to 455 Illinois Street and contains small restaurants and shops as well as apartments on the upper levels and a parking garage on the east end. The subject property is bound to the west by Peshtigo Court beyond which is the former Kraft Building which is in the process of being demolished.
- URS did not observe ASTs on the subject property. No evidence of former or current USTs (e.g., fill ports, fuel islands, vent pipes, etc.) was observed on the subject property.
- URS did not observe hazardous material use or storage on the subject property. No activities likely to generate hazardous wastes were observed.

## 4.0 ENVIRONMENTAL DATABASE REVIEW AND REGULATORY AGENCY CONTACT

### 4.1 Environmental Database Review

URS reviewed information gathered from several environmental databases through Environmental Data Resources, Inc. (EDR) to evaluate whether activities on or near the subject property have the potential to create a REC on the subject property. EDR reviews databases compiled by federal, state, and local governmental agencies. The complete list of databases reviewed by EDR is provided in EDR's report, which is included in Appendix C. It should be noted that this information is reported as URS received it from EDR, which in turn reports information as it is provided in various government databases. It is not possible for either URS or EDR to verify the accuracy or completeness of information contained in these databases. However, the use of and reliance on this information is a generally accepted practice in the conduct of environmental due diligence. A description of the databases searched and the information obtained is summarized below:

Type of Database	Description of Database	Radius Searched	Number of Sites Identified
NPL	The National Priorities List (NPL) identifies uncontrolled or abandoned hazardous waste sites. To appear on the NPL, sites must have met or surpassed a predetermined hazard ranking system score, been chosen as a state's top priority site, pose a significant health or environmental threat, or be a site where the USEPA has determined that remedial action is more cost-effective than removal action.	1-mile	0

Type of Database	Description of Database	Radius Searched	Number of Sites Identified
CERCLIS	The Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) database identifies hazardous waste sites that require investigation and possible remedial action to mitigate potential negative impacts on human health or the environment.	1/2-mile	1
CERCLIS-NFRAP	CERCLIS facilities designated as No Further Remedial Action Planned (NFRAP)	Subject Property and Adjacent	0
RCRA TSDs	Resource Conservation & Recovery Act (RCRA) treatment, storage, or disposal (TSD) sites	1/2-mile	0
CORRACTS	RCRA TSD facilities ordered to implement corrective actions	1-mile	1
RCRA Generators	RCRA-regulated hazardous waste generator notifiers list; both Large and Small Quantity Generators are included in this list	Subject Property and Adjacent	6
ERNS	USEPA's Emergency Response Notification System (ERNS) list contains reported spill records of oil and hazardous substances	Subject Property	0
SHWS	State equivalent CERCLIS (SHWS) list	1/2-mile	0
SWLF	State inventory of solid waste disposal and landfill (SWLF) sites	1/2-mile	0
LUST	List of information pertaining to all reported leaking underground storage tanks (LUST)	1/2-mile	19
UST	State underground tank (UST) site listing	Subject Property and Adjacent	2
SRP	The Site Remediation Program identifies the status of all voluntary projects administered through the pre-notice site clean-up program (1989 to 1995) and the site remediation program 1966 to present).	1/2-mile	6

The subject property was not identified in the databases reviewed. Details on the sites identified within the vicinity of the subject property are in the following tables and text.

One CERCLIS site was identified within 1/2-mile of the subject property.

Site Name	Address	Distance/Direction	CERCLIS Site Status
Lindsay Light Company	316 East Illinois	1/4-mile West	Cleaned Up

This site is not listed on the NPL and is considered a Removal Only Site (No Site Assessment work needed). EDR reports that the Lindsay Light Company was a former gas mantle producer that used thorium nitrate during manufacturing. Thorium is a radioactive element and elevated gamma rays were found on the property, verifying the presence of radionuclides. The USEPA issued the first administrative order for cleanup on January 27, 1994. A subsequent Unilateral Administrative Order (UAO) was issued on June 6, 1996. Several other letters of correspondence followed, ending with a USEPA May 19, 2000 letter documenting completion of on-site work under the June 6, 1996 UAO. A copy of the USEPA May 19, 2000 letter is provided in Appendix A. Although the USEPA has issued a completion letter for removal of radioactive soil from the 316 East Illinois Lindsay Light II site, the proximity of the 316 East Illinois property to the subject property and the possibility that historical activities at the 316 East Illinois property may have impacted surrounding properties represents a REC to the subject property.

One site was identified in the CORRACTS database within one-mile of the subject property.

Site Name	Address	Distance/Direction	CERCLIS Site Status	Potential for Onsite Impact
General Parking Corporation	134 North Streeter Drive	¼-½ mile Northeast	Unresolved	Low

This site is not listed on the NPL and was assigned a low corrective action priority. Based on status and location, this site is not likely to impact the subject property.

Six RCRA-Small Quantities Generators (SQG) of hazardous waste were identified adjacent to the subject property.

Site Name	Address	Distance/Direction	Violations
Kraft Building	510 North Peshtigo Court	Adjacent-West	None Found
Metro Pier and Expo Authority	600 East Grand Avenue	Adjacent-Northwest	None Found
Columbia Label Corp.	431 East Illinois Street	Adjacent-West-southwest	None Found
Neomedica, Inc.	450 East Ohio Street	Adjacent-Northwest	None Found
IJM Management	420 East Ohio Street	Adjacent-Northwest	None Found
Lake Point Tower	505 North Lake Shore Drive	Adjacent-South	None Found

Based on their status, these RCRA SQG facilities are not likely to impact the subject property.

A total of nineteen LUST sites were identified within a ½-mile radius of the subject property. The addresses of these sites can be found in the EDR located in Appendix C. Fifteen of the nineteen LUST sites are located greater than a ¼-mile radius of the subject property and therefore, are not likely to impact the subject property. Details regarding the remaining four LUST incidents follow:

- 510 North Peshtigo Court registered to the City of Chicago: The database reports a fuel oil release incident date of April 29, 1992. The Illinois Environmental Protection Agency (IEPA) has not issued a "No Further Remediation" (NFR) letter to this site and there is no report of a Non LUST Determination Letter for this incident. Review of a 2002 STS report for the Kraft property at 510 North Peshtigo Court revealed that STS submitted a Freedom of Information Act (FOIA) request to the IEPA for information on file for the LUST Incident 921126. STS reported that the IEPA documents indicated that LUST Incident 921126 did not occur at the subject property nor in the vicinity of the subject property and was assigned to the City of Chicago's former office address of 510 North Peshtigo Court in error. STS concluded that, based on the IEPA information provided, LUST Incident 921126 did not represent a REC to the subject site.
- 134 North Streeter Drive registered to the City of Chicago: The IEPA has not issued a NFR letter to this site and there is no report of a Non LUST Determination Letter for this incident.
- 450 East Ohio Street registered to Neomedica: The database reports an NFR Letter was issued for this incident on April 7, 1994.
- 316 East Illinois Street registered to Chicago Dock & Canal Trust: The database indicates a petroleum release incident date of February 18, 1997 and a Non LUST Determination Letter dated May 1, 1997. The IEPA has not issued a NFR letter.

The 450 East Ohio Street and 316 East Illinois Street LUST sites are not expected to represent RECs to the subject property based on their non-LUST statuses. Based upon geographic location in relation to the subject property and unresolved IEPA status, the City of Chicago LUST incident, located at 134 North Streeter Drive, represents a potential REC to the subject property.

The database identified two UST sites adjacent to the subject property. No violations for these USTs were reported. Based on their status, these USTs are not likely to impact the subject property.

URS reviewed the list of sites from the EDR report that were not mapped based on lack of sufficient data regarding their exact location within the general area. Based on a review of area maps and a drive-by reconnaissance of the subject property area, the unmapped sites appeared to be beyond the ASTM search radii.

#### 4.2 Regulatory Agency Contact

URS filed a FOIA request with the City of Chicago Department of the Environment for information on file pertaining to the subject property. Copies of the documents are located in Appendix D. The following is a description of the list of documents that were available:



- Building permit to install a 2,000-gallon gasoline UST, issued on December 19, 1949, was listed under Shell Oil at 500 East Illinois Street.

URS also filed a FOIA request with the City of Chicago Department of Buildings for information on file such as buildings records, permits, and violations pertaining to the subject property. Copies of the documents are located in Appendix D. The following is a description of the documents that were retrieved:

- Application for a permit to build a service station at 500 East Illinois Street (subject property). The date of the application is not visible on the document, but the date of April 26, 1917 was referred to on the application.
- Permit dated March 10, 1939 for use of the address 500 East Illinois Street (subject property) as an office parking lot.
- Permit dated December 22, 1949 for a 2,000-gallon tank registered at 500 East Illinois Street (subject property). No indication as to aboveground or underground tank.

Review of the local permits revealed that a Shell Oil gas station with a 2,000-gallon gasoline UST was formerly located on the subject property (circa 1949). A geophysical survey and subsurface investigation of the subject property was conducted by URS, formerly known as Woodward-Clyde (WC), in July 1997. The survey was conducted to identify the possible presence and location of a historic UST on the subject property. Four soil borings were advanced to a depth of 15 feet below ground surface (bgs) in the southwest corner of the subject property (former gas station location). Laboratory analysis of the soil samples revealed the minimal presence of organic chemicals typically associated with gasoline or other petroleum products and the sole detection of total xylenes was below IEPA Tiered Approach to Corrective Action Objectives (TACO) Tier 1 remediation objectives. However, concentrations of lead in the soil samples exceeded the TACO Tier 1 remediation objectives in both total lead and toxicity character leaching procedure (TCLP) form. WC reported that exposure pathways (direct contact or inhalation) were prevented by the asphalt surface, but excavation of the subject property would require characterization and proper disposal of the soil as the TCLP lead levels in the soil samples collected were just below the RCRA regulatory level. A copy of this survey is provided in Appendix A.

URS also sent FOIA requests to the IEPA Bureau of Land and the Office of the Illinois State Fire Marshal (OSFM) for records/permits regarding USTs, LUSTs, hazardous materials, underground injection control, Superfund, remedial project management, field operations, and medical and special wastes. A response dated August 19, 2003 from the Illinois OSFM regarding the FOIA request stated that no information for the subject property was found. A response dated September 3, 2003 from the IEPA Bureau of Land stated that there was no information on the subject property in their records. Copies of these responses are provided in Appendix D.

## 5.0 CONCLUSIONS

URS conducted a Phase I ESA Update of Parcel 24 to evaluate the environmental condition of the subject property from April 4, 2002 to the present. Parcel 24 appears to be unchanged since April 2002. Based on the review of available information, the following RECs were identified at the subject property:

- Review of the local permits revealed that a Shell Oil gas station with a 2,000-gallon gasoline UST was formerly located on the subject property (circa 1949). A geophysical survey and subsurface investigation of the subject property was conducted by URS, formerly known as WC, in July 1997 to identify the possible presence and location of a historic UST on the subject property. Laboratory analysis of the soil samples from four borings revealed the minimal presence of organic chemicals typically associated with gasoline or other petroleum products. However, concentrations of lead in the soil samples exceeded the IEPA TACO Tier I remediation objectives in both total and TCLP lead. WC reported that exposure pathways (direct contact or inhalation) were prevented by the asphalt surface, but excavation of the subject property would require proper characterization and disposal of any contaminated soil as the TCLP lead levels in the soil samples collected were just below the RCRA regulatory level.
- Although the USEPA has issued a completion letter for removal of radioactive soil from the 316 East Illinois Lindsay Light II site, the proximity of 316 East Illinois property to the subject property and the possibility that historical activities at the 316 East Illinois property may have impacted surrounding properties represents a REC to the subject property.
- The unresolved City of Chicago LUST site, located at 134 North Streeter Avenue, represents a potential REC to the subject property.



Phase I ESA Letter Report Update  
Parcel 24  
September 30, 2003  
Page 11

If you have any questions concerning the report, or if URS can be of further assistance, please feel free to contact us at (847) 228-0707.

Sincerely,

URS CORPORATION

A handwritten signature in cursive script, appearing to read "Stacy McCance".

Stacy McCance  
Project Environmental Scientist

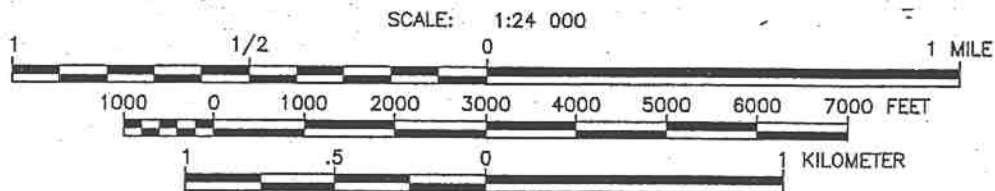
A handwritten signature in cursive script, appearing to read "Steven Bunsen".

Steven Bunsen  
Project Manager

Attachments







NORTH

**MAP REFERENCE:**

PORTION OF U.S.G.S. QUADRANGLE MAP  
7 1/2 MINUTE SERIES (TOPOGRAPHIC)  
CHICAGO LOOP, ILLINOIS 1993



QUADRANGLE LOCATION

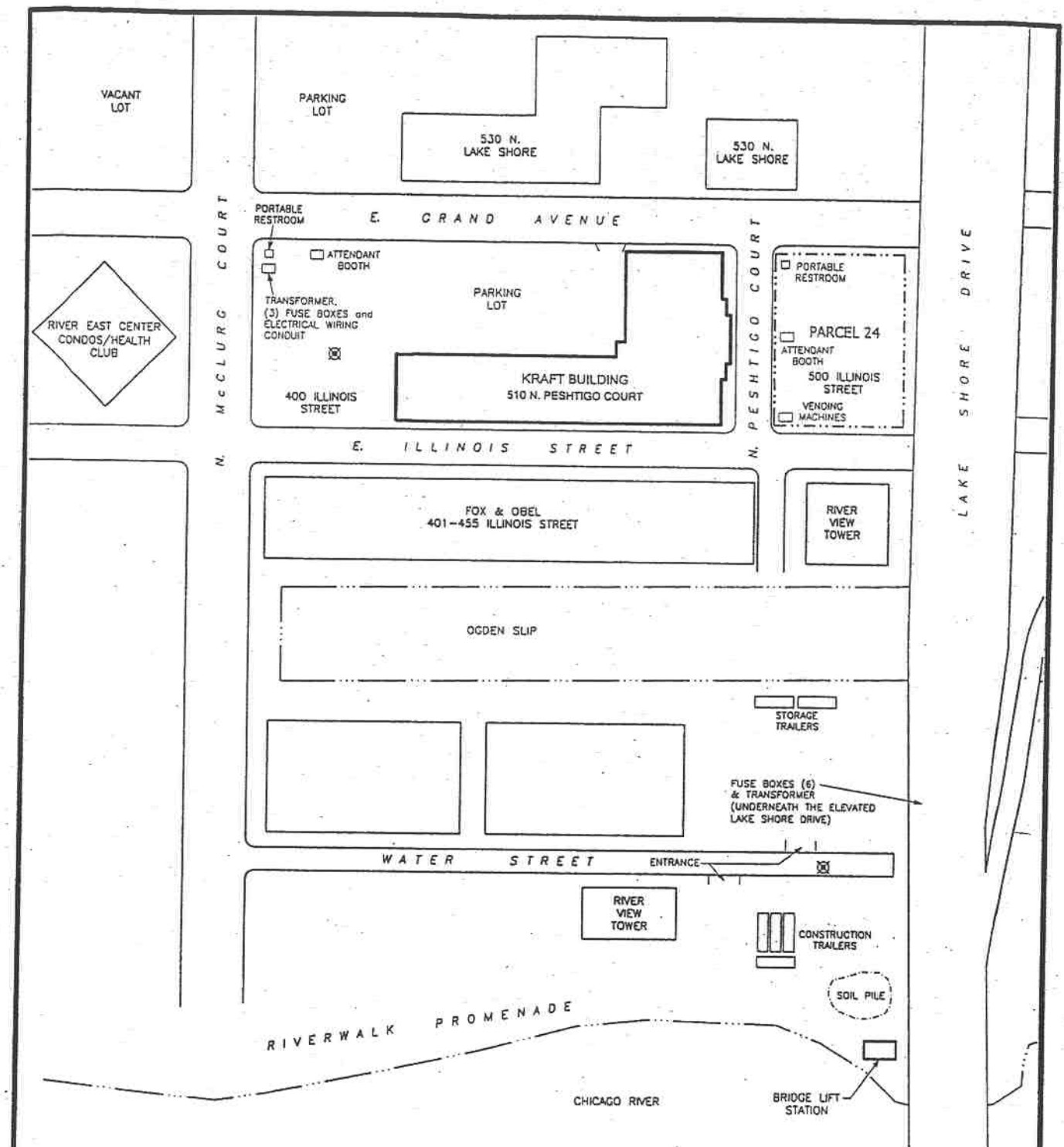
**KRAFT BUILDING - PARCEL 24  
CHICAGO, ILLINOIS**

**FIGURE 1  
SITE LOCATION MAP**

DATE:  
AUGUST 19, 2003  
JOB NO.:  
52603-003-007  
DRAWN BY: CHK'D BY:  
MAR KB  
SCALE:  
AS SHOWN

**URS**

1701 GOLF ROAD, SUITE 1000  
ROLLING MEADOWS, ILLINOIS 60008  
PHONE: 847.228.0707  
FAX: 847.228.1115



**LEGEND:**

----- = SUBJECT PROPERTY

○ = CATCH BASIN

⊙ = MANHOLE



NORTH

0 90 180 360

APPROXIMATE SCALE IN FEET

**KRAFT BUILDING - PARCEL 24**  
CHICAGO, ILLINOIS

**FIGURE 2**  
**SITE MAP**

DATE: AUGUST 19, 2003  
JOB NO.: 52603-003-007  
DRAWN BY: MAR CHK'D BY: KB  
SCALE: NOT TO SCALE

**URS**

1701 GOLF ROAD, SUITE 1000  
ROLLING MEADOWS, ILLINOIS 80008-4227  
PHONE: 847.228.0707  
FAX: 847.228.1115

